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(FOUO 5/80)



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JAPAN REPORT

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POLITICAL AND SOCIOLOGICAL

'JAPAN TIMES' ON OHIRA'S VIEW OF UNITED STATES DEFENSE REPORT

OW021128 Tokyo THE JAPAN TIMES in English 1 Feb 80 p 14 OW

[Editorial: "Mr Ohira's Reading of U.S. Report"]

[Text] In replying to questions during Wednesday's Upper House debate, Prime Minister Masayoshi Ohira tried to assure legislators that there has been no major departure in U.S. policies regarding the defense of the Far Eastern Region and military cooperation with this country. U.S. Defense Secretary Harold Brown's call for Japan's expanded defense programs, Mr Ohira explained, is but a general aspiration voiced for continued improvement of Japan's self-defense capability.

Likewise, the prime minister refused to see any particular cause for alarm in the so-called "swing strategy" which Secretary Brown mentioned in his latest annual defense report to the U.S. Congress. Mr Ohira regarded it also as a general concept in support of increased flexibility in the deployment of the U.S. forces. Or a capability to swiftly move U.S. military units, normally based elsewhere, to another area.

The prime minister's interpretation, however, is less than persuasive. The U.S. Defense Report of Jan. 29 is a faithful echo of the hard-line stance taken by President Jimmy Carter in his recent State of the Union message and speech, a declaration of the U.S. resolve to defend its and allies vital interests by any means necessary.

The U.S. view is that the world has entered a dangerous phase as shown by the events in Afghanistan and Iran, and the U.S. is now going ahead with a build-up of its military strength and counts on its allies to mount parallel efforts.

Washington makes the point of China's importance as a quesially and useful counterweight to the Soviet Union, provided, however, that Chinese leaders exercise restraint in foreign policy and keep essentially in step with the U.S. in relation to Vietnam above all. The report does not hide the concern that the U.S. alone cannot carry the heavy burdens of defense in the vast reaches of the Western Pacific and the Indian Ocean unless support is forthcoming from its Pacific allies.

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True, some policies and requests for allies are set forth only in general terms in the U.S. Defense Report. But the thrust of the message is clear enough. Prime Minister Ohira cannot afford to pretend now that there is no major change in U.S. defense and alliance policies. Consultations must be stepped up at all levels with Washington on what Japan can or cannot do to help protect the vital interests of the non-communist world and of its own.

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'AKAHATA' CRITICIZES OHIRA'S UNITED STATES POLICY

OW261007 Tokyo JPS in English 0900 GMT 26 Jan 80 OW

[Text] Tokyo, Jan 26. JPS--AKAHATA on January 26 carried an editorial entitled "Premier's Speech and Independent Stance in Diplomacy." The editorial says that although Premier Ohira stressed an "active response in world affairs" in his administrative policy speech, the true aim of his speech was "to extend his subordinate-to-the-U.S. diplomacy over the world." The gist of the editorial follows:

"Since the first Ohira cabinet took office, the Japan-U.S. relations in subordination to the U.S. have been expanded politically, economically and militarily under this cabinet. For examples, at last May's Japan-U.S. summit, it agreed to share the responsibility for "peace and stability" in the Mideast, and has also promoted the "concept of the Pacific basin" which will be effectually put under the leadership of the United States."

"One of the principles governing relations between states and nations, including international conflicts, is the defense of [word indistinct] self-determination." "On the contrary, Ohira said in his speech to the effect that Japan should cooperate in activities of the U.S. even if it will 'sacrifice' the interests of the Japanese people and the country, on the sole international principle of solidarity with the United States.' What an 'independent stance' can be found in this speech?"

In addition, "The Ohira diplomacy following and cooperating with the Carter administration which has laid bare its 'policy of strength,' will inevitably make Japan walk in a very dangerous direction opposite to the world-wide current of non-alignment and neutrality.

"Another point to note is that Japan's subordination to the U.S., the relationship founded by the Japan-U.S. military alliance, prevents the Japanese economy and trade from developing independently and undermines the basis of Japan's self-sufficiency in foods and energy."

"His call for promotion of the development of alternative energies, under the sponsorship of the U.S. will only help to extend the Japanese domestic market to U.S. oil majors and other multinational enterprises, and to invite a more grave crisis."

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COUNSELOR REPORTS JOINT JAPAN-ROK FORCES DRILL, LEGAL

OW111426 Tokyo THE JAPAN TIMES in English 10 Feb 80 p 2 OW

[Text] Atsuyuki Sasa, defense agency counselor, stated in the Diet Saturday that it was permissible from the legal point of view for the self-defense forces to hold joint training with South Korean forces.

The statement came at a meeting of the house of representatives budget committee, when Dietman Yoshinori Yasui of the Japan Socialist Party posed a question concerning maritime self-defense forces participation in the Rimpac joint maneuvers.

Sasa also said, however, that the SDF cannot take part in any joint training which presupposes a collective exercise of the right of self-defense.

He cited the U.S. South Korea joint military maneuvers called team spirit 78 and 79, and said the SDF could not take part in such maneuvers which he said were held for the purpose of defending South Korea against aggression from the North.

He added that the defense agency at present is not contemplating joint training with the South Korean forces, because the necessity or propriety of this kind of military training has not yet become an actual problem.

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BUSINESSMAN URGES MILITARY DRAFT, MORE DEFENSE SPENDING

OW071501 Tokyo JIJI in English 1429 GMT 7 Feb 80 OW

[Text] Kyoto, Feb 7 (JIJI PRESS)--An influential business leader said Thursday the time is ripe for Japan to study establishing a draft system to provide for an emergency.

Hosai Hyuga, president of the Kansai (western Japan) Economics Federation, also told a business seminar here Japan should increase the ratio of defense spending to gross national product (GNP) from the present 0.9 percent to 1.9 percent, the level of Switzerland, which he noted is the lowest of any developed nation other than Japan.

He made the remarks apparently with the recent buildup of Soviet military power in mind.

Hyuga said the GNP ratio of Japan's defense budget is the lowest among industrialized nations, adding a country is disqualified as an independent state unless it strengthens its defense capability on its own.

He expressed doubt if Japan could conduct diplomatic negotiations, such as on reversion of the Russian-held northern territories to Japan and fishing rights, on equal terms without maintaining a certain level of defense capability.

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'AKAHATA' RAPS CALL FOR JAPANESE MILITARY DRAFT

OW111025 Tokyo JPS in English 0925 GMT 11 Feb 80 OW

[Text] Tokyo, Feb 11, JPS--AKAHATA on February 10 carried an editorial entitled "The seriousness of the call for the revival of conscription," excerpts of the editorial follow:

Kansai Economic Association Chairman Hosai Hyuga's statement on February 7 at a Kansai District Business Seminar, that "it is about time now that Japan should examine the introduction of conscription (compulsory military service), is an unpardonable attack on the constitution, which declares the renunciation of war, in pursuit of a lasting peace.

What must be taken seriously is that this is not simply a "feather-brained" statement of a business leader who is projecting to the right. This is a symbolic way of expressing a common plan of the ruling circles of Japan and the United States to mobilize the Japanese people towards military fascism, and to have the Japanese ruling circles positively cooperate and take part in the extensive U.S. buildup for world aggression, which is seen in the recent moves and statements of the Carter administration. This is how serious the Hyuga statement is.

Recently, the LDP government is openly talking about a joint blockade of three straits by Japan and the United States in an emergency, and to extend the U.S. forces' sphere of operation under the Japan-U.S. security treaty to the Persian Gulf areas. The Federation of Economic Organizations (Keidanren) demands that the government promote formulation of a "fifth defense buildup program" and the development of weaponry. These are active responses to the U.S. demand that Japan increase its share in defense responsibilities.

Using the spy case involving self-defense forces officials, the government and the LDP are openly preparing for the introduction of a law to protect secrets.

The Hyuga statement demanding that the establishment of a conscription system be considered and the defense allocation be increased indicates that this really is linked to the maneuver to lead Japan to military fascism, and is a serious attack on peace-loving people.

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The Hyuga statement calling for the revival of the conscription is hostile to the constitutional principles; it should never be tolerated as it will open the way for malarevision of the constitution.

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'AKAHATA' QUESTIONS LEGALITY OF REVISING SECRECY ACT

OW090959 Tokyo JPS in English 0921 GMT 9 Feb 80 OW

[Text] Tokyo Feb 9 JPS--Availing itself of the self-defense forces espionage case, the defense agency presented an official view that it will adversely revise the SDF law to make severe the punishment of an SDF member leaking a secret, the agency on February 8 published a paper "measures taken to establish a system for maintenance of a secret," expressing that the agency will consider a revision when "it is needed."

The February 9 issue of AKAHATA said that the aim of the agency measures is to discriminate SDF members from other civil servants and classify them as troops covered by a special law system. This constitutes a serious challenge to the Japanese constitution articulating the renunciation of war potential, said the paper.

AKAHATA also pointed out that a move to establish an espionage law governing all Japanese people has become active within the government and the liberal democratic party. In this sense, the paper said, the move to make severe the SDF law punishment will become the first step toward introducing a war-time legislation governing the entire people.

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CALL FOR DRAFT SPARKS DEBATE AT BUSINESS MEETING

OW101128 Tokyo THE JAPAN TIMES in English 9 Feb 80 p 4 OW

[Text] Osaka--A business leader's call for conscription in Japan led to a heated debate on national defense at a two-day meeting of businessmen that ended in Osaka Friday.

The call for conscription was made by Hosai Hyuga, president of the Kansai Economic Federation, at a seminar attended by about 250 businessmen in Western Japan.

He said the government should study a conscription system to prepare for national emergencies.

Up to now, most business leaders have considered the defense issue taboo and refrained from discussing the subject.

The fact that the subject has in fact been taken up is a reflection of the latest series of international incidents such as the Iranian revolution and the Soviet invasion of Afghanistan.

Tadashi Sasaki, chairman of the Japan Committee for Economic Development, said in a New Year message that the people should now seriously discuss defense as a national subject. Sasaki is a former governor of the Bank of Japan.

The Federation of Economic Organizations recently decided to ask the government double its expenditure on defense research and development.

At the businessmen's seminar, however, Hyuga's proposal for conscription failed to receive positive backing from most participants who thought his appeal too premature to be formally debated.

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'ASAHI': MOST LDP MEMBERS AFFILIATED WITH PARTY FACTIONS

OWO61008 Tokyo ASAHI EVENING NEWS in English 5 Feb 80 p 3 OW

[Text] Eighty-five percent of the 3,106,703 members recruited by the Liberal-Democratic Party in preparation for the presidential election this fall belong to factions within the party, according to a nationwide survey carried out by the ASAHI SHIMBUN.

The biggest number, 905,000, belong to the Masayoshi Chira and Kakuei Tanaka factions, but right behind them are the 841,600 supporting the Takeo Miki (Toshio Komoto) faction. The Yasuhiro Nakasone faction and Takeo Fukuda faction are far behind with 419,750 and 355,500, respectively.

Those who support centrist factions or who are connected with more than one faction total 160,900.

LDP Membership by Faction

Faction	Members
Chira-Tanaka	905,000
Miki (Komoto)	841,600
Nakasone	419,750
Fukuda	355,500
Others	584,853
Total	3,106,703

(Survey by the ASAHI SHIMBUN)

That leaves about 440,000 whose affiliations are unknown:

It is expected that Chira, Komoto and Nakasone will stand as candidates in the preliminary election for the party president. On the basis of the party members recruitment results, it can be considered that Chira has won a total of over one million votes, including the 905,000 plus those supporting centrist factions or more than one faction who will probably vote for him.

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Komoto increased his support by nearly 10 times from the last presidential election and is now considered a strong threat by the other factions. Nakasone was left far behind by Chira and Komoto, but there is the possibility that he has greater support throughout the nation than appeared in the survey results.

The Fukuda faction suffered a big drop in the number of its supporters because it was not clear whether Fukuda would stand as a candidate and the faction itself did not aggressively recruit members. But it must be pointed out that the factional support is as of Feb 2, and when members actually vote in the preliminary election, there is the possibility that they will be affected by the results of the upper house election and by the changes in the political, economic and social conditions.

In the last preliminary election, the Chira faction won 550,891 votes, while the Komoto faction had 88,917 votes, Nakasone won 197,957 votes and Fukuda, 472,503 votes.

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POLITICIANS DISCUSS DOMESTIC, FOREIGN ISSUES OF 1980'S

Tokyo SHUKAN ASAHI in Japanese 4 Jan 80 pp 151-155

[Discussants: Kiichi Miyazawa, LDP Diet Member and JSP Secretary General Masashi Ishibashi; chaired by Hirotatsu Fujiwara, critic on political affairs]

[Text] A Liberal-Democratic Party split over the nomination of its leader and an opposition party powerless to capitalize on the situation to regain the leadership. The year 1979 ended in such political chaos, but what about Japan's politics in the 1980's? This was the subject of discussion between LDP's Kiichi Miyazawa, a strong contender to be the next premier, and the Socialist Party's Masashi Ishibashi, the main contender in the event of a coalition government by the opposition parties; with the participation of Hirotatsu Fujiwara, a political commentator with a sharp tongue. How do the varying responses of Miyazawa and Ishibashi strike the readers?

Fujiwara: I do not wish to greet the 1980's. The LDP is in shambles and the opposition parties are in a sorry plight. High economic growth is confronted by a red light, with even predictions of war in the Middle East. Meanwhile, Asian socialism has crumbled in Vietnam and Cambodia, and China is undergoing great changes. In the postwar period, Japan has sat cross-legged in the midst of miraculous peace and democracy, but I think those days have come to an end.

Miyazawa: Because of the recent intraparty strife, there seems to be a feeling of gloom (harboring deep thoughts). While I am normally an optimist, I do harbor some dark feelings as we enter the 1980's. But I don't think there will be a war and Japan needs to resolve rabbit-hutch-like issues. Many things have to be done, and this is a plus factor.

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Ishibashi: I foresee no major changes in the first half of the 1980's, but the second half should see some dramatic factors. Like Mr Miyazawa with his gloomy feelings, I too am concerned.

Fujiwara: Are those your true feelings?

Ishibashi: An "age of coalition" is generally mentioned; I think it will come after the general elections at the earliest. But I am not so confident that it will proceed smoothly. I am concerned about the increased turmoil and the rise of some fascistic elements, without our going through a period of stability.

Miyazawa: I do not think the LDP will ever lose a majority in the Lower House in the 1980's. Or am I being overly optimistic?

Ishibashi: In the next general elections, the LDP will face greater difficulties in all areas. First, there is political corruption. The current Ohira cabinet has covered up the matter, and it will be the same even if the cabinet changes. The other is that, because of financial stringencies, subsidies and other election-directed services, as ways to pick up votes, are no longer possible. This will be reflected right away in the next general elections. Internationally, because of our export-oriented economy, friction with the United States and the European Community will reach a climax.

Fujiwara: Are the next general elections close at hand?

Miyazawa: Since we now are very much afraid of elections, they should come later.

Ishibashi: I'd like to say 1983, but because of the Upper House elections, I would put them at 1982.

Fujiwara: Won't the age of coalition or turmoil brought on by a split into small parties come right away if the LDP should lose in the coming Upper House elections?

Ishibashi: The Upper House elections are unique because of 26 one-man districts. This is absolutely advantageous for the ruling party.

Fujiwara: Then the Ohira government will continue to remain in power?

Ishibashi: Yes, if we are unable to score an upset in the Upper House elections because of unpreparedness for the post-Ohira structure. During the last opportunity, the anti-mainstream factions were unable to unite. This will continue to affect the Upper House elections.

Fujiwara: Mr Miyazawa, your name has surfaced as a possible successor. Did you have confidence in your ability to resolve that situation?

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Burgeoning Bureaucrats in Disregard of a Weak Parliament

Miyazawa: That was not true but was a "kind of rumor." (sardonic smile)
As everyone felt a sense of shame or disgust over the struggle to nominate a prime minister, they are now wiser or have even gained from it.

Fujiwara: On the day of the general elections, I discussed on television the informal decision to extend a loan to Iran for the petrochemical project. It was as if the government was substituting for the private enterprises because of their errors. Mr Ohira stated that he "lost 10 seats because of that broadcast." I think that the free economy is threatened. The direction of regimentation clearly reflects bureaucratic control. I am concerned about the possible development of fascism with a highly regulated social structure.

Ishibashi: I too am concerned about the dangerous direction in which things are headed. Especially, in Mr Ohira's case, he fails to demonstrate leadership and decides on a course by digging around the roots of a tree as if the decision was based on everyone's views. He would be a most becoming leader just around the time regulatory-type fascism clearly showed itself.

Miyazawa: The United States is giving serious thought to the problem of excessive governmental growth. We think it necessary to revert to the direction of a free economy in the 1980's. Recently, accounting irregularities in public corporations have been uncovered. I think such developments will lead to a realignment of the governmental and quasi-governmental structure and to things reverting to a market economy wherever possible.

Fujiwara: Would it work?

Miyazawa: Finances are in a bind. The problem is how to administer welfare. I feel that the concept of the treasury assuming the whole sum is a bit excessive. I am hoping that those incidents will kick off an inquiry.

Ishibashi: It's been said that the government is too powerful, but is it really that strong? The bureaucrats may actually be running Japan. They will burgeon all the more as political corruption increases because of a very weak parliament, thus strengthening the so-called regulatory-type structure of fascism. From experiences gained in the Watergate scandal and the Vietnam war, the U.S. Congress has become relatively powerful, but in Japan's case, not once has parliament acquired strong power.

From my trivial experiences, things (structural reform and administrative adjustment) are accomplishable with a strong parliament and the will to do so. When I was a member of the Cabinet Committee, Chairman Kenji Fukunaga and I once threw out all proposals for creation of new bureaus and secretariats. How can one expect an amateur who is thrust into the position of minister know how to control the bureaucrats? Just when he begins to learn about his job, it's time for him to leave his cabinet post.

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Fujiwara: The merits of a government by political parties lay in the great amateur politics. Now, however, a noncom-like person becomes a minister. He is no match for the bureaucratic brains.

Ishibashi: Another problem has to do with politicians. In the United States, tampering with the budget means that the budget will be trimmed to lighten the people's burden. But in Japan's parliament, it results in an increase. Within one's narrow perspective, an attempt is made to come up with a budget. Therein lies the reason for the linkup with bureaucrats.

Fujiwara: High-level bureaucrats are not the only ones resisting administrative adjustments. The National Council of Government and the Public Workers' Unions are also guilty. Unless the Socialist Party recognizes this fact, it probably will be unable to take the initiative.

Ishibashi: It is I who responded with actions by being instrumental in the passage of the Law for Establishment of Temporary Administrative Survey Association. At the time, Secretary General Iwai and others of the General Council of Trade Unions of Japan (Sohyo) were vehemently opposed. Even after 3 hours of persuasive efforts, they resisted. An agreement was reached only after I had offered to help them appoint Kaoru Ohta, their president, as committee member.

Miyazawa: I recall Mr Ishibashi's efforts. On the other hand, the matter of administrative adjustment is of great concern to Socialist Party-affiliated labor unions. Truthfully speaking, if we should raise the issue, we are certain to win the people's support, strategically, and place the Socialist Party in a tough situation. That we would like, but somehow we are unable to do. That reflects the complexity of this problem.

Fujiwara: The Japanese parliament has not undertaken a bourgeois rationalization since the days of the Great Japanese Empire.

Miyazawa: If nothing were done, Japan's parliament would begin to resemble France's. I recognize the government officials' sense of "what would happen to Japan if we failed to fulfill our duties," but seems that the power of such officials is growing, while that of the parliament as cited by Mr Ishibashi is not.

Fujiwara: Will this stay the same throughout the 1980's?

Miyazawa: There is the virtue of not meddling into another's affairs and the instinct of expanding one's own power.

Fujiwara: The issue for the 1980's, then, is how politics should deal with the bureaucrats. What form would be appropriate? A major coalition or a partial coalition? At the least, it should be a form in which reform legislation can easily pass with a stable majority in parliament.

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Miyazawa: I failed to mention earlier that in any government office, there are secrets which cannot be disclosed, or matters, not necessarily irregularities, that it fears might be harped on by opposition parties if they ever became known. That is why there may be concern about any transfer of government to the opposition.

Fujiwara: As long as there is no transfer of government between the ruling and opposition parties, would there be no way to eliminate the bureaucratic taboo of increased secrecy?

Miyazawa: Yes, it's not so simple.

Fujiwara: To overcome this taboo, perhaps the bureaucrats' authority for approval can be reduced and more and more matters can be turned over to private sectors. Backed by a growing support of this system, can't both the government and opposition parties effect a restructure? Of course, the Socialist Party, as can be expected, may tend to favor bureaucratic controls....

Ishibashi: That is not so. I don't take the position of pondering whether a major coalition or partial coalition would do. The point is whether a politician would really address the problem with a sense of crisis. I am sorry to state that a politician who has only elections in mind will never contribute to a resolution of the issue, regardless of the form of action.

Would Japan Swing to the Right Following a Sino-Soviet Reconciliation?

Fujiwara: A body known as political party exercises the strongest restraining power over politicians. In the LDP's case, it is the factions. The same may be said of the Socialist Party.

Ishibashi: Every political party is bound by party decisions. How can I explain it? In any event, I feel it necessary for a majority party to split up. We must go through that period once. Even in the latest [election], the LDP would have split had it not garnered a majority.

Miyazawa: If the LDP should fail to win a majority, the Socialist Party would assume the reins of government. In that event, there is a fear that the market economy might be in for a change. As long as Mr Ishibashi takes the lead, the Security Treaty and defense issues are unlikely to be handled hastily. However, for a Socialist government, it probably would be contrary to its basic principles to concede to the market economy issue. Handing the government over to the Socialist Party would be detrimental for Japan; this is why the LDP does not split up. I may sound rude toward the Socialist Party, but those are my feelings.

Fujiwara: Would you expand the market economy?

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Miyazawa: We would like to reduce the size of government slightly and leave economic management to private enterprise. But that runs counter to the aims of the Socialist government.

Ishibashi: There are two ways of saying "there is no need for such concern." The first is that, unfortunately, it would not be a single party government by the Socialist Party. It would start out as a coalition government which would clarify its policies and agreements, domestically and externally. At that point, it should become clear whether there is cause for anxiety.

More basic is the notion that the cabinet is neither Socialist nor anything else. This would merely mean the participation of the Socialist Party in the government. And the goal at the moment is the protection of the constitution. It would be a government to fully enhance democracy and promote neutrality and livelihood.

Miyasawa: How would you define neutrality?

Ishibashi: I refer to a neutrality based on nonalignment. A government takeover does not mean an immediate disbandment of the Self-Defense Forces or the unilateral notification of abrogation of the Japan-U.S. Security Treaty. There could be concern over dramatic changes--namely, about the destruction of Japan's economy--but if that happened, the lifespan of the government would be shortened. If a major reform should be sabotaged by the capitalist side and living standards should decline, the government would be shorter lived than the Katayama cabinet.

Miyazawa: I can discuss these things with Mr Ishibashi, but not so easily with the Socialist Party because of various supporting organizations. In a way, I would like to see it work out your way.

Fujiwara: The LDP may score an overwhelming victory in the next elections. Policywise, there is nothing to benefit the opposition parties. There is no concrete plan on policies which they can be sure of.

Ishibashi: That is lacking even among the side in power.

Fujiwara: We must not overlook the trend of so-called greater safety under a larger tree.

Miyazawa: There definitely is less to offer. However, I do not think the national way of life will become extremely poor; it is gradually becoming conservative. The problem henceforth is one of justice and equality. The issue in the 1980's will be how to seize upon this soon enough.

Ishibashi: We shall strive to regain the people's confidence and become in the 1980's a Socialist Party which Mr Miyazawa cannot afford to take

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lightly. And initially, we shall form a government, mindless of any coalition, which can clean up politics and correct injustices and inequalities.

Fujiwara: In such a case, won't the existence of bureaucrats and the National Council of Government and Public Workers' Unions and of the Socialist Association be threatened?

Ishibashi: They have nothing to do with it. (indignantly) The issue involves relations with the United States. In order to maintain even the lowest possible standard of living, a certain level of economic growth is necessary, focusing on exports. It is the friction arising at that time that is of concern.

Miyazawa: That is the point of difference. The domestic infrastructure (such as roads and railroad facilities constituting the base of economic development) must be remedied. Concretely speaking, growth must be achieved to correct the rabbit-hutch situation; such a remedy is related to growth. The greatest impediment to this is the lack of any sense of balance. An enterprise or household would participate in any investment that returns 7 yen on a 5 yen investment, but in matters of public affairs such as city development, the project is unachievable because of the opposition of a few. The political guidance extended during the 30 postwar years could have been in error. Unless this is corrected, the rabbit hutch cannot be improved. It is not that economic growth must focus on exports; growth is possible by carrying out tasks that need to be accomplished on one's own ground.

Ishibashi: Returning to the earlier subject, I think there is an element of extreme danger in parallel with regulatory-type fascism. It is the question of Sino-Soviet reconciliation. If socialism should happen to reinforce its dominant position, it might lead to an atmosphere such as that evident in the Pak structure's "stop-at-nothing approach to opposing communism."

Fujiwara: In the days when you, Mr Miyazawa, were Foreign Minister, you soiled your hands over the treatment of Japan-ROK relations. Should Sino-Soviet reconciliation occur, it would not only lead to the futility of past cooperative efforts toward China's modernization but also create a major problem.

Miyazawa: The collapse of the Pak structure showed that repulsion of political freedom at a time of such economic advances would choke the economy. China and the USSR are not necessarily engaged at present in war; even if reconciliation were to come about, it would not pose a threat to Japan. It would be proper to think that Japan is extending economic aid to China because China's modernization would help Japan.

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Ishibashi: However, from the standpoint of those firmly espousing the structure, they entertain the fear that the world is increasingly converting to socialism and may even join hands--even from the standpoint of geographical relations. They feel at ease now, as China opposes the USSR.

Coalition Concept Supported by LDP Secessionists

Fujiwara: At least, that is the U.S. thinking. Carter has developed a strategy of isolation toward the Iranian situation; the Pak incident is also viewed as having occurred as an integral part of that. If so, efforts will probably be made to get Japan to join the structure and modernize China through economic aid. What alarms the USSR is militarization in that sense.

Miyazawa: That is probably true. During my talks with Kissinger in 1978, he declared that he may also "favor extending arms to China in some cases"; "however, that may be for only about 10 years." The United States would like to see China a bit stronger. But in the case of Japan, it is necessary to think in deeper terms.

Ishibashi: Perhaps, at U.S. request, there will be a rapid move toward a greater tightening of the role of Japan as a vanguard.

Fujiwara: Coming back to domestic problems, why didn't the Socialist Party try to gain the votes of other opposition parties when the LDP was divided over the nomination of a party leader? Doesn't the Socialist Party's show of strength lie not in union activities but in leadership as a parliamentary democratic force?

Ishibashi: I once suggested "an omnidirectional joint struggle rather than a joint struggle by all opposition forces." The term all the opposition forces can be misunderstood to mean a powerlessness or inability to take over the government unless all opposition parties are united. We cannot predict what the power sector would be when the chance to assume the rein of government is at hand, for it would not be the same as now. We do not stand on the theory of exclusion; it can only be through open association.

Fujiwara: In such an event, are you willing to accept LDP secessionists?

Ishibashi: I don't mind. It is wrong to call them secessionists. We should get together with those having the fervor for "action" in support of our great major position.

Fujiwara: It is interesting to note that the Socialist Party is willing to accept such forces in the LDP. What would be Mr Miyazawa's move?

Miyazawa: Nothing, I would think.

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Fujiwara: But the LDP crisis may be growing worse, even though unnoticeable.

Miyazawa: Corruption can develop rather easily after a lengthy period of government control. In fact, it is occurring even now. Therefore, in order to prevent corruption in government, I think it important for an opposing force to take over. But that is not possible under the present circumstances because of anxieties existing within the party to which the government should be handed over. In reference to Mr Ishibashi's earlier remarks on the omnidirectional joint struggle, we feel that our sense of value is not in common with that of the Communist Party. Do you suggest an omnidirectional joint struggle as a matter of convenience?

Ishibashi: We have lived through a dark period long enough. At first, it was against communism and then even against liberalism. Frankly speaking, there exists no relationship of trust with the Communist Party. I myself am not a supporter of Marxism-Leninism. But not recognizing its existence would probably create even greater problems.

Kind of Governmental Succession Not Causing Anxiety Among the People

Fujiwara: For both of you, the 1980's probably mean the windup of your political career. Mr Miyazawa, in the newsmen's balloting on who will become "prime minister 5 years hence," you took the absolute lead....

Miyazawa: That wasn't so significant. Those born after the war now exceed one-half the population. And those born in the Showa era are now reaching retirement age. It is odd that only politics do not reflect the age structure of the people. I myself am getting old. Generally, it would be desirable to have more politicians who are younger. Whether I belong to that group or not, I feel that it is not so much of a problem.

Ishibashi: Within the LDP framework, the realization of Prime Minister Miyazawa may be slightly difficult. But it may be possible under a new political development. Within the present LDP, it is unavoidable for one's true intent and his actions to run counter. Mr Miyazawa won't be able to rise, and there will be no such opportunity unless there is a reshuffle.

Fujiwara: The same can probably be said of Mr Ishibashi. (laughter)

Miyazawa: I would like to see Mr Ishibashi become head of the Socialist Party. If he could carry out the things he promised a while back, it would permit a transfer of government without much fear and would lead to the prevention of corruption of those in power. In such a case, the people would probably choose to transfer the government without much anxiety.

Ishibashi: I have assumed a major role as secretary general without really becoming involved in party affairs. From my experiences, I realize I must

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try to communicate with party members and get them to understand my feelings in order to effect an overall reorganization of the party. Initially, I would like to start out by consolidating my footing.

Fujiwara: With regard to socialism in the 1980's, academic scholars are suggesting a buildup of the Socialist Party image, as one could then take the government to task and assume control.

Ishibashi: From an objective viewpoint, that might be possible. Because I am aware of the difficulty, from the viewpoint of the characteristics and the actual situation of the Socialist Party, for the Central Executive Committee to demonstrate leadership, I must refrain from resorting to critical expressions. I do not mean to withhold support, even if my views run counter to those of Asukada. I am urging them to press on resolutely.

Fujiwara: It is as if Nakasone was instigating Fukuda. For an early breakup, it would be better. (laughter)

Ishibashi: I wish to tell Mr Miyazawa not to "return to the faction and swab the deck." That is unbecoming of you; it's no use becoming a prime minister or party president under such conditions.

Miyazawa:(perplexed look).

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POLITICAL AND SOCIOLOGICAL

'JIJI' GIVES RESULTS OF MONTHLY OPINION POLL

OW091403 Tokyo JIJI in English 1252 GMT 9 Feb 80 OW

[Text] Tokyo (JIJI PRESS)--Following are the results of a monthly opinion poll conducted by JIJI PRESS Jan. 10-13 (figures in parentheses show the previous month's results):

Question: Do you support the cabinet of prime minister Masayoshi Chira?

Yes: 27.4 percent (27.0 percent)

No: 44.6 percent (46.2 percent)

I don't know: 28.0 percent (26.8 percent)

Question: What political party do you support?

Liberal-Democratic Party: 30.1 percent (29.9 percent)

Japan Socialist Party: 10.9 percent (9.4 percent)

Komeito (Clean Government Party): 3.4 percent (4.8 percent)

Democratic Socialist Party: 2.3 percent (3.1 percent)

Japan Communist Party: 2.1 percent (1.7 percent)

New Liberal Club: Unchanged (0.3 percent)

Other Parties: - (0.1 percent)

Conservative rather than reformist parties: 7.3 percent (8.3 percent)

Reformist rather than conservative parties: 5.8 percent (5.2 percent)

No party: 30.8 percent (31.8 percent)

I don't know: 7.1 percent (5.3 percent)

Question: How do you feel about price trends?

Calming down: 1.7 percent (1.5 percent)

Rising: 93.8 percent (94.9 percent)

Dropping: 1.7 percent (0.3 percent)

I don't know: 2.8 percent (3.3 percent)

Question: What do you think of the domestic business trends compared with December last year?

Definitely picking up: 0.2 percent (0.6 percent)

Slightly better: 5.3 percent (8.5 percent)

No change: 42.0 percent (47.0 percent)

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Slightly worsening: 36.2 percent (31.4 percent)
Definitely worsening: 5.7 percent (3.8 percent)
I don't know: 10.7 percent (8.8 percent)

Question: Do you think Japan should align with the free world or the communist bloc, or stay neutral?

Free world: 54.9 percent (55.5 percent)
Communist bloc: 2.1 percent (1.5 percent)
Neutrality: 21.4 percent (21.5 percent)
I don't know: 21.6 percent (21.5 percent)

Question: Please list up to three nations you like.

The United States 39.0 percent (37.4 percent), Switzerland 34.5 percent (35.0 percent), France 25.2 percent (26.6 percent), Britain 23.0 percent (26.0 percent), China 16.9 percent (15.5 percent), West Germany 14.9 percent (15.4 percent), India 2.2 percent (1.3 percent), South Korea 1.1 percent (0.9 percent), the Soviet Union 1.1 percent (1.4 percent), North Korea 0.6 percent (0.3 percent), none 34.9 percent (34.0 percent)

Question: Please list up to three nations you dislike.

The Soviet Union 50.2 percent (45.6 percent), North Korea 29.1 percent (28.2 percent), South Korea 22.6 percent (23.8 percent), India 6.0 percent (4.8 percent), China 5.7 percent (6.3 percent), the United States 4.5 percent (3.6 percent), West Germany 3.6 percent (3.9 percent), Britain 1.3 percent (1.1 percent), France 1.2 percent (0.8 percent), Switzerland 0.6 percent (0.1 percent), none 40.0 percent (42.2 percent).

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ECONOMIC

BANK OF JAPAN EXPECTED TO RAISE DISCOUNT RATE IN MARCH

OWO90948 Tokyo MAINICHI DAILY NEWS in English 8 Feb 80 p 5 OW

[Text] The Bank of Japan will probably raise the official discount rate around the middle of March by some 0.75 percent from the present 6.25 percent per annum, the MAINICHI has learned from sources both in the government and the Central Bank.

The Central Bank may boost the rate earlier, or toward the end of this month depending on prices and the yen's exchange rate, they added.

If the rate is increased the official discount rate will have been elevated for the fourth time since last April when the Central Bank turned to a tight money policy in order to reduce inflation. The discount rate hike would also have effects on long-term interest rates such as those carried by public bonds and bank deposits.

These remained intact in the previous rate hikes.

The Central Bank has been keeping a close watch on commodity prices, especially those of petroleum products, and the economic situation since the OPEC general meeting in Caracas last December. BOJ [Bank of Japan] has been particularly concerned about the "free for all" price mechanism being followed by members of the Organization of Petroleum Exporting Countries.

In this study the bank has arrived at the following conclusions:

1. The oil price situation has been growing worse as oil producing Middle East countries, including Saudi Arabia and Iran, increased their prices and were followed by Indonesia and North African countries;
2. Under the tightening demand-supply situation on the international market, commodity prices centering on nonferrous metals have risen sharply, pushing up wholesale prices on a wide range of--not only imported goods but domestic products; and

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3. Large increases are expected in electricity rates and the wholesale prices of steel products from April and they will certainly affect commodity prices.

The view of the Central Bank is that these factors may drive up inflation further unless the official discount rate is raised again.

In reflection of crude oil prices the index of wholesale prices in the first 10 days of January rose 0.7 percent over the previous 10-day period. A 0.7 point hike was also seen in the second 10-day period.

If this tendency continues the wholesale price index for January is expected, BOJ sources said, to rise close to 2 percent over December, or 18 percent over the year before.

The bank sources are afraid that this trend might have adverse effects on commodity prices and the coming spring labor offensive for higher wages.

As for the effect of the rate hike on slowing the economy the bank sources are rather optimistic. The raise of the official discount rate would not "overkill" the growth of the nation's economy as might be feared in industrial circles, they added.

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AMENDED INDUSTRIAL STANDARDS ACT SUBMITTED TO DIET

OW071341 Tokyo MAINICHI DAILY NEWS in English 6 Feb 80 p 5 OW

[Text] The government has submitted to the current Diet session a bill to partially amend the industrial standards act. The main purpose of the bill is to open the Japanese Industrial Standards (JIS) marking system to foreign manufacturers and the essentials of the bill summarized by the Minister of International Trade and Industry (MITI) are as follows:

I. Objectives of the Bill

1. The standards code (agreement on technical barriers to trade) of the Tokyo round of trade negotiations includes two provisions to ensure that standards and certification systems of each nation do not constitute unnecessary barriers to international trade; (1) industrial standards of each country shall be in conformity to international standards, and (2) domestic certification systems shall be applied to imported commodities.

These provisions force Japan to open the JIS marking system of the industrial standards act to imported commodities.

2. The JIS marking system, the main objectives of which are to make trade simple and fair as well as to rationalize the utilization and consumption of commodities, has played a vital role in protecting consumers. The JIS mark has become the index by which to select commodities.

The system is expected to assume a still greater role as higher-quality and more complicated commodities are put in the market, and as additional quality and performance are required of products in terms of safety, environmental protection, and the saving of natural resources and energy.

In order to cope with these trends adequately, the system should be expanded so as to make the JIS mark function as a more trustworthy mark.

II. Outline of the Bill

1. Foreign manufacturers are allowed to participate in the benefits of the Japanese Industrial Standards marking system (the MIS marking system).

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(1) Foreign manufacturers and processors can stamp the JIS mark on their commodities produced in those factories that are specifically approved by the minister in charge.

(2) A foreign factory is on an equivalent basis with a domestic factory in the procedure for approval. The minister in charge will conduct practical examinations of factories and can take necessary steps to supervise approved factories, including spot inspections if required.

(3) Dealers are allowed to sell in the domestic market those imported commodities carrying the JIS mark only when they are produced in approved factories described in the above subsection (1).

2. Inspections by accredited agencies can be conducted.

(1) The minister in charge may officially announce his intention to inspect the commodities carrying the JIS mark when he feels the need for inspection to secure conformity to the JIS.

If the announcement is made, the factory producing the designated commodity is subject to the inspection (the JIS conformity inspection) by the organization (the inspection organization) specifically designated by the minister in charge within a specified period.

(2) The minister in charge can authorize an on-the-spot investigation of those factories which are not subject to the above inspection or which are judged, based on the inspection, to produce the designated commodities not in conformity with the standards, and can order the factory not to stamp the mark on the pertinent designated commodity for sale within a specified period (40 days at the longest) before necessary steps are taken.

(3) The competence of the minister described in the above subsections (1) and (2) is applicable to the foreign approved factories with the exception that the specified period described in the subsection (2) is extended to 80 days at the longest.

3. If commodities are not produced at approved factories, the JIS mark, or any like mark that may be misleading, cannot be stamped on any commodity, even when not designated.

(1) No manufacturer is permitted to stamp the JIS mark, or any like mark that may be misleading, on any commodity other than those designated. This is done in order to maintain the authority of the marking system.

(2) The above is also applicable to imported commodities.

4. The interval to review Japanese industrial standards is set at the interval for the international standards.

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Where the minister in charge was required to bring Japanese industrial standards once in three years under the deliberation of the Japanese industrial standards committee for review, the time period is relaxed to five years in conformity with international standards.

5. Others

In accordance with the above amendments, the regulations concerned are to be modified accordingly.

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'JAPAN TIMES' VIEWS TRADE ISSUE WITH UNITED STATES AUTO EXPORTS

OW080135 Tokyo THE JAPAN TIMES in English 7 Feb 80 p 12 QW

[Editorial: "Japan-U.S. Car Trade"]

[Text] Trade friction between Japan and the United States is becoming almost a perennial problem. Since late last year, following what appeared to be a brief lull, trade relations between the two countries have shown signs of strain, and many fear that the situation could get out of hand unless Japan acts more quickly.

One of the problem areas is the Japanese car exports to the U.S. last year. Japan sold more than 2 million motor vehicles there, accounting for most of America's car imports. Troubled by a sales slump and some 200,000 people thrown out of work, the American automotive industry and union want Japanese auto producers to start locally-based production in the U.S. so that the swelling inflow of finished car products from Japan may be reduced.

Smaller, fuel-efficient foreign cars have a definite competitive edge over larger U.S. models that consume more gasoline. But the current trouble of the U.S. auto industry cannot be blamed solely on imports. The U.S. industry, for its part, has failed to prepare in time for a surge in domestic demand for small cars. Giant U.S. auto manufacturers are now changing directions, to meet the challenge and no practical purpose would be served by arguing they could have done that earlier.

The point here is that the U.S. car industry is plagued by plant shutdowns and massive worker lay-offs. In the face of the painful readjustment under way in the U.S., the Japanese car industry cannot afford to go on shipping finished cars as rapidly as they did in the past and to allow protectionist sentiments to build up in the U.S.

The Japanese auto makers are compelled to think about the "political" as well as economic dimensions of the problem confronting them. There is a real danger that an untamed expansion of their finished car exports to the U.S. could touch off a wholly unwelcome reversal of U.S. trade policy in

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one of the mainstay product line and eventually boomerang not only on the exporters themselves but on the overall Japan-U.S. relations. Organizing manufacturing activities in the U.S. and contributing to jobs and incomes there seem to be a sensible course of action.

But it is equally obvious that production there must be economically feasible. A plan recently announced by Honda Motor Company to build cars in Columbus, Ohio, should be one based on a hard-headed business judgment and not dictated by any "pressure" from the U.S. presumably, that is also the way in which Toyota and Nissan, the two largest Japanese car makers, approach the decision-making on whether they should move into the U.S.

Such direct investment, however, is only one way of resolving the problem of the lop-sided Japan-U.S. car trade. Japan, which has already accepted U.S. investment in its car manufacturing industry, can conceivably accept many more American cars--not large "gas guzzlers" but small ones that American auto makers will be producing in the future.

The bilateral trade in motor vehicles is now heavily in favor of Japan. In 1978, this country exported about \$7 billion worth of autos, trucks and buses, of which passenger cars accounted for \$5.7 billion. On the other hand, imports of U.S.-made autos amounted to less than \$100 million. Much of this imbalance is due to the fact that U.S. models do not meet the needs of ordinary Japanese drivers. But it can be reduced substantially once the U.S. begins to produce more competitive models.

Americans apparently continue to think that the Japanese market is not as wide open as it should be, despite the fact that many "nontariff barriers," let alone tariffs, have been either abolished or reduced. It is difficult to think that the wide gap in car trade will be allowed to continue forever. In 1978, Japan sold more than 1.5 million autos in America, while the U.S. sold only 13,000 in Japan.

There is also something that the United States needs to do in order to alleviate this potentially explosive problem. For instance, the United Auto Workers (UAW), which appears to be turning protectionist-minded, can help by going slow on their overzealous bid to invite Japanese investment.

Last month, the president of the powerful union, Mr Douglas F. Fraser, warned of special legislation designed to compel foreign car markets to build manufacturing plants in the U.S. The proposal would make it mandatory for firms exporting more than 200,000 cars a year to the U.S. to undertake production there. Such a move is clearly going to extremes, which would not resolve but rather exacerbate the problem.

U.S. car giants, for their part, can develop models that would be sufficiently attractive to Japanese drivers to expand their sales in this country. Japanese would not be loath to buy American autos if they are competitively priced, of high quality and delivered with assurances of reliable after-sale service.

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ECONOMIC

JAPAN, PRC END AIR TALKS, AGREE TO INCREASE FLIGHTS

OW021507 Tokyo JIJI in English 1427 GMT 2 Feb 80 OW

[Text] Tokyo, Feb 2 (JIJI Press)--Japan and China have agreed to increase the number of weekly flights to eight for Japan Air Lines (JAL) and 10 for the Civil Aviation Administration of China (CAAC) from the present seven each as from April.

The accord came at their four-day intergovernmental aviation talks, which ended at the Transport Ministry here Saturday.

JAL, the nation's flag carrier, and CAAC also agreed to continue talks on the start of cargo flights between the two countries.

The number of travelers between the two countries is estimated at 180,000 both ways in the current fiscal year ending next March. A further growth of more than 50 percent is expected in fiscal 1980 and after.

To expand the passenger-carrying capacity, it was agreed that JAL will introduce DC-10 jetliners of McDonnell Douglas Corp, and CAAC Boeing 747-SP jumbos of Boeing Co.

This means a substantial increase from the present 2,000 seats to 3,500 both ways for each of JAL and CAAC.

Regarding the problem of mutual rights to fly beyond Tokyo and Beijing, China told Japan that CAAC wants its jets to stop in Japan en route to the United States and to increase their landing points in that country once a regular air service is opened between China and the U.S.

Japan said, however, that JAL has no immediate plans to operate flights to Europe via China.

Therefore, it was decided to discuss the matter again in Beijing in mid-April.

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IRAN APPROACHES JAPANESE FIRMS ON PLAN TO IMPORT 30,000 TRUCKS

OWO40610 Tokyo THE JAPAN TIMES in English 3 Feb 80 page not given OW

[Text] Iran is planning to import 30,000 trucks to make up for a production slowdown and drastic decline in imports, Japanese Trading Company sources said Saturday.

They said Iranian importers have asked some trading houses about the possibility of importing Japanese-made trucks.

If shipments of Japanese-made vehicles are realized, it would be the first time in more than a year that trucks would be exported from Japan to Iran.

Since the Revolutionary Government came to power early last year, Iran has stopped purchasing foreign-made vehicles.

The Iranian Government adopted the policy of a ban on imports of foreign cars to bring up and protect its own industry and to expand employment.

Japan was able to ship only 4,991 cars under contracts already signed before the government's new policy went into force and also under the so-called "knock down" (local assembly) system.

Iran was Japan's major customer for cars in the Middle East along with Saudi Arabia. In 1978, Japan shipped about 66,000 passenger cars and trucks.

The sources said Iran presently is in need of trucks because production has slowed down and a shortage of vehicles became apparent after the Revolutionary Government seized power.

They said Iran was looking for 1,600-2,000 CC class trucks, the type of vehicles Japan has been fully capable of supplying.

The sources said Iran reportedly planned to import 30,000 units--15,000 for official use and the remaining 15,000 for the private sector.

It was not certain, however, whether Japan would win orders for all 30,000 trucks.

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The Ministry of International Trade and Industry maintains a strict policy of not approving shipments to Iran unless payments are completely guaranteed.

Japan must also take into consideration whether truck exports would run into conflict with America's economic sanctions against Iran.

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JAPAN INDUSTRY MACHINERY ORDERS MARK ALL-TIME HIGH IN 1979

OW101132 Tokyo THE JAPAN TIMES in English 9 Feb 80 p 5 OW

[Text] Industrial machinery orders in the 1979 calendar year registered an all-time high of 5,011.7 billion yen, an increase of 27.3 percent over the preceding year, the Japan Society of Industrial Machinery Manufacturers reports.

The previous record was 3,937.6 billion yen in 1978.

Domestic demand in 1979 amounted to 2,873 billion yen, up 7.2 percent compared with 1978, while exports stood at 2,138.7 billion yen, up 70 percent.

Prime mover orders in 1979, however, decreased by 0.1 percent to 804.8 billion yen and mining machinery, by 8.8 percent to 67.2 billion yen.

The society said the sharp increase of machinery exports was due to large plant exports.

Industry machinery orders last December totaled 400.9 billion yen, an increase of 0.2 percent over a year before, the society said.

Domestic demand in December totaled 197.2 billion yen, down 1.7 percent from the same month of 1978, while exports stood at 203.7 billion, up 13.5 percent.

General machinery orders in December, adjusted for seasonal factors, were down 13.3 percent from the previous month, the economic planning agency (EPA) announced Thursday.

New private orders, a bellwether of plant and equipment investments six to nine months hence, declined 10.9 percent from the preceding month. The orders exclude contracts placed by the electric power industry and those for ships, both of which tend to fluctuate widely and thus distort the spending picture.

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However, total orders for October-December were up 6.5 percent from the previous quarter. Private orders, except those from the power industry and for ships, were also 15.7 percent.

General machinery orders in all of 1979 totaled 12,568.1 billion yen, up 19.5 percent from the previous year or the largest percentage growth since 1973 when the rate of rise was 64.5 percent.

Private orders in the past year totaled 6,339.2 billion yen, up 18.12 percent.

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MITI MAY ASK AUTO INDUSTRY TO EXERCISE EXPORT RESTRAINT

OW101325 Tokyo THE JAPAN TIMES in English 9 Feb 80 p 5 OW

[Text] Amid mounting U.S. pressure on Japanese automakers to produce cars in the United States, the Ministry of International Trade and Industry (MITI) is considering asking the Japanese automobile industry to exercise "voluntary restraint" to hold down exports to the U.S. market, a senior MITI official said Friday.

In disclosing this idea, the official welcomed Toyota Motor Co's reported plans to reduce its car exports to the U.S. below its originally planned level. Teizo Yamamoto, President of Toyota Motor Sales Co., said Thursday the industry should "exercise self-restraint" to check a fast rise in exports to the U.S.

The MITI official noted that exports of Japanese cars to the U.S. have been growing at an annual rate of more than 30 percent in recent months. Japanese cars grabbed a U.S. market share of 22 percent in January. The MITI official called the share too big."

U.S. government officials and U.S. automobile industry circles have been prodding Japanese automakers, specifically Toyota and Nissan, to build facilities in the U.S. to start production of cars to compete on even terms with their U.S. rivals and to provide jobs for American workers.

The MITI official said that his ministry would have to consider seriously the advisability of seeking self-restraint from Japanese makers through its administrative guidance.

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ECONOMIC

PRC ASKS JAPAN TO COOPERATE IN MINING DEVELOPMENT

OW081509 Tokyo NIHON KEIZAI SHIMBUN in Japanese 8 Feb 80 Morning Edition
p 1 OW

[Excerpts] According to a government source, the Chinese government recently made a formal request to Japan for cooperation in developing coal and non-ferrous metal (copper) mines, showing a list of "priority projects" it has in Ming. The "second" economic cooperation project follows the yen credit projects for railroad construction and port and harbor maintenance as agreed at the Japan-China summit talks late last year. It calls for: 1) The development of eight coalmines and two nonferrous metal mines with Japanese "export-import bank loans"; 2) the expenditure of about 1 billion yen, or almost half of the total of the export-import bank loans, for those projects; and 3) the joint development of four coalmines, including one in Gujiao Prefecture in Shanxi Province, in the form of a joint venture or by compensatory trade in which borrowings are paid back in kind. Acting on the Chinese request, the government plans to select the mines to be developed by sending survey teams to China in mid-March and decide on detailed aspects of cooperation when Premier Hua Guofeng visits Japan in May.

According to the Chinese request, China wants to develop 12 coalmines, including the ones already under development, and two nonferrous metal mines in cooperation with Japan, and to export, mainly to Japan, the coking coal and metabituminous coal (a kind of coking coal) for steel making, steaming coal and brown coal for fuel as well as copper to be mined there.

As for eight coalmines--including the ones in Gujiao Prefecture in Shanxi Province and Yanzhou Prefecture in Shandong Province--and two nonferrous metal mines, which China wants to develop expeditiously, China indicated its intention to use the export-import bank loans (\$2 billion in loans which the export-import bank agreed to provide to the Bank of China), showing that China is giving greater priority to these than to other projects.

The eight coalmines to be developed are estimated to have deposits totaling 5,270 million tons and expected to turn out 23 million tons of coal a year by the middle of the 1980's when mining work will begin in real earnest.

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The two nonferrous metal mines are said to have copper ore deposits of 70 million tons and are expected to turn out 32,000 tons of refined metal annually. Expenditures for the 10 projects are estimated to total about \$1 billion as China aims to spend more than \$100 million for each project in "Foreign exchange expenditures" (funds used for the purchase of material and equipment which cannot be procured domestically in China). [passage omitted]

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ECONOMIC

JAPAN DENDEN KOSHA TO MAKE PUBLIC SUPER-LSI PATENT SHORTLY

OW080415 Tokyo NIHON KEIZAI SHIMBUN in Japanese 7 Feb 80 Morning Edition
p 1 OW

[Excerpts] Nippon Telegraph-Telephone Public Corporation--Denden Kosha--has decided to make fully public the patent for the super-LSI (large-scale integrated circuit) in the near future. The action will enable businesses both at home and abroad to pay for utilization of the technology being developed by Denden Kosha jointly with three communications machinery makers--Nippon Electric, Hitachi and Fujitsu.

The super-LSI technology research union, comprising five major computer makers in Japan, has been accelerating development under the lead of the Denden Kosha group and the Ministry of International Trade and Industry. The government already decided to make full public disclosure of the patent currently held by the union. Thus, the decision by the Denden Kosha group completes the move to open the door to exporting to the United States and European countries the super-LSI technology of this country, the world's highest level. The export is expected to help resolve Japan-U.S. trade frictions over such issues as involving semiconductors and the opening of Denden Kosha contracts to foreign bidding. [passage omitted]

Denden Kosha is scheduled to embark on its third-phase research program in fiscal 1981 to a new super-LSI with an even higher degree of integration. The research partners in this project will not be limited to these makers as in the past, and therefore it is expected that other makers such as Oki Electric Industry, Toshiba and Mitsubishi Electric Corp are expected to compete for participation in the program.

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ECONOMIC

NAGANO BRIEFS OHIRA ON PANAMA CANAL PROJECT

OW101154 Tokyo THE JAPAN TIMES in English 9 Feb 80 p 5 OW

[Text] Shigeo Nagano, President of the Japan Chamber of Commerce and Industry, and other business leaders who visited the U.S. and Panama January 23-February 4, met with Prime Minister Masayoshi Ohira Friday and briefed him about the details of Panama's proposal calling for Japanese participation in the second Panama Canal project.

Nagano later told reporters that Prime Minister Ohira was rather cautious about the proposal but promised him that he would study it carefully.

The business leader also said that President Aristides Royo of Panama plans to visit Japan around March 24.

Nagano then said that he believes it would be appropriate to seek a World Bank loan for the second Panama Canal project, which is expected to cost at least \$8.3 billion.

Nagano headed a mission of Japanese businessmen to Panama and the U.S. to exchange views on the project with leaders of the two countries.

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ECONOMIC

MITI CONSIDERS CITY DEVOTED TO ADVANCED TECHNOLOGY

OW091126 Tokyo THE JAPAN TIMES in English 8 Feb 80 p 2 OW

[Text] The Ministry of International Trade and Industry is considering a program for a new urban center devoted to "frontier industries" named "Technopolis 90," which may be constructed somewhere in Japan in the 1980s.

A group of researchers are scheduled to meet for the first time today to discuss the city's program, which will feature the ministry's industrial policy for the present decade. The program will be released in March.

Technopolis 90 will combine industrial, academic and residential quarters with public facilities.

Sophisticated electronic parts, computer, aviation aerospace, ocean industries and think tanks will be located in the industrial quarter.

The academic section will have research institutes for advanced technology and professional schools for skilled labor public facilities such as stadiums will be established in the residential area.

New traffic and energy-saving systems will be widely introduced in Technopolis 90.

The Ministry of International Trade and Industry intends to construct the city in an existing provincial city or an industrial park.

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ECONOMIC

BRIEFS

EXPORT GOODS DEVELOPMENT--Tokyo, Jan. 31 (JIJI Press)--President Isao Nakauchi of Daiei, Inc., a major supermarket chain, agreed at his talks with Chinese Foreign Trade Minister Li Qiang Wednesday that his company will cooperate in developing Chinese merchandise for export through active extension of information to further expand its business with that country. After the meeting at Daiei's Sone branch in western Japan, Nakauchi also told reporters that he asked the Chinese minister to allow his company to set up a representative office in Shanghai in addition to the existing offices in Beijing and Tianjin. To discuss details on the planned office, he will shortly visit that country, he said. Daiei's deals with China are expected to reach six billion yen (about 24 million dollars) this year. [Text] [OW311321 Tokyo JIJI in English 1233 GMT 31 Jan 80 OW]

STEELMAKER OPENS BEIJING OFFICE--Tokyo, Jan. 31 (JIJI Press)--Nippon Kokan K.K., a major Japanese steelmaker and shipbuilder, will establish a representative office in Beijing Friday to promote its ties with China. The firm has exported a number of ships to China and received Chinese orders for cost estimates on improvement of the Shijingshan Steel Mill and a hot steel rolling plant of the Anshan Steelworks. It has already set up a China team in its heavy and machinery division to take care of orders from that country. Only one representative--Yasusuke Kawashima--will be stationed at the office for the time being. [Text] [OW311323 Tokyo JIJI in English 1231 GMT 31 Jan 80 OW]

UK-BOUND AUTO EXPORTS--London, Feb. 1 (JIJI Press)--Japanese automakers have indicated that they would terminate their voluntary restraint on exports to Britain next year. As a result of this week's regular consultation in Acapulco, Mexico, between the Japan Automobile Manufacturers' Association (JAMA) and the Society of Motor Manufacturers and Traders (SMMT), the Japanese will likely maintain the export curbs for another year. A brief joint statement announced here Friday said JAMA expressed the hope that Japanese automakers will continue to be prudent in selling cars to this country. However, JAMA also said it is unhappy that Japanese makers have had to hold down their share in the British market to not more than 11 percent during the past four years. This has sparked speculation here that the Japanese association might wish to terminate the voluntary curbs as of the end of this year. The combined share of imported cars in the British market doubled from 30 percent in 1975 to about 60 percent last year. But Japanese vehicles' share remained at 10 to 11 percent during the same period. This has led British sales agents for Japanese car makers to complain aloud that Japan's export curbs, originally aimed at helping the British motor industry, has only served to benefit other foreign makers. [Text] [OW021505 Tokyo JIJI in English 1423 GMT [no day] Feb 80 OW]

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SCIENCE AND TECHNOLOGY

TOSHIBA DEVELOPS SILICON NITRIDE PRODUCTION METHOD

Tokyo NIHON KOGYO SHIMBUN in Japanese 1 Dec 79 p 8

[Text] Toshiba (Takeo Iwata, president) has developed a production method using silicon nitride which is regarded as a promising heat resistant ceramic material of the future and has established mass production technology for products using that method which are strong enough to withstand pressure of 95 kilograms per square millimeter at 1,200 degrees centigrade. These are the results of research commissioned as nuclear technology research themes of the Industrial Technology Institute. From now on, it has been decided to proceed further with research seeking avenues of practical application. As the first stage of this applied research, in the near future high temperature metallurgical worker's tools will be produced and, while compiling factual data, researchers are also thinking of expanding the practical uses of silicon nitride to automobile parts and gas turbines.

Researchers hope that silicon nitride can be practically applied as a new ceramic material used in high temperature situations in which metal cannot be used. In the United States, some silicon nitride research has proceeded to the practical application stage. However at present throughout the world this research is still in the trial manufacturing research stage. Ford in the United States and Volkswagen in West Germany are among those companies seeking practical automotive uses for silicon nitride research, and Westinghouse Electric in the United States and Max Plank in West Germany are among those companies attempting to apply silicon nitride research to the field of electric generator gas turbines. In Japan besides such national laboratories as the Inorganic Material Research Laboratory of the Department of Science Technology and the Nagoya and Osaka Laboratories of Industrial Technology of the Industrial Technology Institute, Toshiba and Kyoto Ceramic are proceeding with silicon nitride applied research.

Up to this point Toshiba had, on one hand, been proceeding with research related to manufacturing methods at the Metal Ceramic Laboratory of the General Research Institute and, on the other hand, conducting joint research with Toshiba Ceramics.

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The result of previous joint research efforts with Toyota include the experimental manufacturing of blades used in gas turbines which can withstand pressure of 90 kilograms per square millimeter at a temperature of 1,200 degrees centigrade.

Toshiba's current research success is a result of nuclear research conducted over a 2 year period from 1978 to 1979. The distinctive feature of that research is that it became possible to produce in a stable manner material able to withstand over 95 kilograms per square millimeter at 1,200 degrees centigrade, topping the previous record of 90 kilograms per square millimeter at the same temperature.

This material was produced by adding a small amount of yttrium and alumina to silicon nitride powder which is available commercially and, after mixing, pre-treating the powder with heat. After the crystallization of part of the powder it was sintered and, under conditions of high temperature and pressure, B type silicon nitride sinter was obtained.

The distinguishing characteristic of this new production method is that, in contrast to previous existing experimental methods, the powder was made into the sinter form after treatment in which part of the powder was crystallized. Due to this new method, the quality of the material was uniform and large pieces could be produced, the thickness of test pieces reaching 40 millimeters.

Test pieces withstood 106 kilograms at normal temperatures and, at 1,200 degrees centigrade, had the strength to withstand 95 kilograms.

Toshiba has found that it is possible to overcome two silicon nitride research problems: the improvement in high temperature environments of the strength of silicon nitride products and the increase in the size of the pieces produced.

First, high temperature metallurgical worker's tools will be developed and the accumulation of factual data will begin. But afterwards, researchers are thinking of proceeding with applied research aimed at practical application in the areas of automobile parts and gas turbines.

The Nagoya Laboratory of Industrial Technology has begun to work on establishing a method of assessing the efficiency of silicon nitride products as a part of the Industrial Technology Institute's Moonlight Plan "High Efficiency Gas Turbine" research. Silicon nitride will also be used in national projects.

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